



FINAL EXAMINATION
MODEL QUESTION PAPER
PAPER – 19

SET - 1
TERM – JUNE 2026
SYLLABUS 2022

INDIRECT TAX LAWS AND PRACTICE

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1. Choose the correct option:

[15 × 2=30]

- (i) Under a scheme of finance, Kia Ltd. Gives the possession of car to the buyer in November 2025. It agrees to transfer the ownership of the car to the buyer in January 2026 upon payment of full consideration of ₹9,60,000 in instalments as agreed. What will be the nature of this transaction?
- (a) Supply of Goods
(b) Supply of Service
(c) Deemed Supply of Service
(d) None of the above
- (ii) Supply of services by a music composer Shri Ilayaraja by way of transfer or permitting the use or enjoyment of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original, musical to a music company called HMV shall be liable to GST in the hands of.
- (a) Music composer (Ilayaraja)
(b) Music company (HMV)
(c) Either the music composer or the music company at their option
(d) Neither the music composer nor the music company
- (iii) Which of the following is/are the essential elements of a composite supply?
- (a) Supply is made by a taxable person to a recipient
(b) Supply consists of two or more individual supplies of goods or services or both or any combination thereof but it is not naturally bundled
(c) supply is made for a single price
(d) all the above
- (iv) Poornima Gas sells cooking gas cylinders. Subsidy directly transferred to the account of the customer. Selling price per cylinder is ₹1,000. Customers received subsidy of ₹ 84 directly from Government to his bank account. Net outflow of the buyer is ₹ 916. Find the value of supply of goods (per cylinder) in the hands of Poornima Gas.
- (a) ₹ 1,000
(b) ₹ 916
(c) ₹ 84
(d) None of the above
- (v) Sridhar of Chennai imported the goods into India from the following countries.
- (a) Malaysia
(b) Singapore
(c) Indonesia.
- Determine the place of Supply and nature of GST Payable by Sridhar.



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- (a) Malaysia, Singapore and Indonesia – IGST
(b) Malaysia, Singapore and Indonesia – BCD
(c) India, IGST
(d) India, BCD
- (vi) Bank of Tamilnadu provides the following information for the month of June 2026 for their Registration in Punjab:

Particulars	Rupees
ITC from suppliers of goods or services or both	5,00,000
ITC from other offices	1,00,000

- How much credit will be allowed to Bank of Tamilnadu for the month of June 2026?
- (a) 3,50,000
(b) 3,00,000
(c) 6,00,000
(d) 1,00,000
- (vii) Suganya delayed 67 days in filing of GST returns for the month of Dec 2025. Determine the effective amount of late fee payable? Assuming amount of CGST/SGST/UGST for June 2026 is Nil.
- (a) ₹500
(b) ₹2,000
(c) ₹5,000
(d) Nil
- (viii) Mode of calculating on of refund of ITC in zero rated supplies is as follows:
- (a) Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) * Net ITC / Adjusted Total turnover
(b) Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) * Net ITC / Gross Total turnover
(c) Refund Amount = Turnover of zero-rated supply of goods * Net ITC / Adjusted Total turnover
(d) Refund Amount = Turnover of zero-rated supply of services* Net ITC / Adjusted Total turnover
- (ix) Bharath Private Limited issued a invoice without a supply of goods for 25 Croes. The Central tax authority issued a show cause notice by demanding the following: CGST and SGST 4.5 Cr, Penalty 100% of tax rate is 4.5 Cr, Interest at 24%. Based on the information whether the quantum of punishment by imprisonment is?
- (a) Up to 6 Months with fine
(b) Up to 1 year with fine
(c) Up to 3 years with fine
(d) Up to 5 years with fine



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- (x) Rajaram, a registered person supplies goods to Gangaram on 12.10.2025 on approval or return basis. Gangaram gives his approval to the goods on 22.12.2025. What is the time prescribed for issue of tax invoice?
- (a) 20.10.2025
(b) 12.10.2025
(c) 22.12.2025
(d) 20.12.2025
- (xi) From the following below which import are categorized as transactions involving the transfer pricing.
- (a) Import by branches from their overseas principles
(b) Goods imported under leasing contract from a related party
(c) Goods import on loan from a related party.
(d) All of the above.
- (xii) Mr. Vishnu imported some goods from France the value of which is ₹14,50,000 and duty is payable at the rate of 18%. Some goods has been damaged before the order of clearance for home consumption has been granted by the proper officer. The value of goods after damages is ₹12,25,000 lakhs. Calculate the duty payable by Mr. Vishnu at the time of clearance for home consumption.
- (a) ₹2,90,000
(b) ₹2,45,000
(c) 45,000
(d) 60,000
- (xiii) Which of the following items are leviable to customs duty at the rate of 110% (including 10% SWS)?
- (a) Cartridges of firearms exceeding 50
(b) Cigars exceeding 25
(c) Alcohol & wines in excess of 2 liters
(d) All of the above.
- (xiv) Mr. Sandeep imported textile machine from Australia and paid import duty thereon. The part of that machinery was not as per the specification and hence, Mr. Sandeep wants to export that part of the machinery. State whether drawback is available to Mr. Sandeep on export of part of machinery.
- (a) The drawback is available at 98% if exported as such
(b) The drawback is available at specified rate if exported after use
(c) Drawback is not available, as export of part of machinery is not allowed
(d) Either (i) or (ii) above.
- (xv) Which of the following is the key component of the foreign trade policy?
- (a) Import substitution
(b) Export Promotion
(c) Foreign direct investment (FDI)
(d) Balance of payment.



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SECTION – B

Answer any 5 questions out of 7 questions given. Each question carries 14 marks. [5 × 14 = 70]

2. (a) Explain the compliances from ITC reversal point of view that need to be made by a person opting for composition levy? [7]

(b) Analyse the concept of Form GSTR-2B and identify who is eligible to view Form GSTR-2B. Also discuss whether it is necessary to reconcile the books of accounts with Form GSTR-2B. [3+2+2=7]

3. (a) Arjit Basu Limited, registered under GST, is engaged in providing various services to various educational institutions. The company provides the following information in respect of services provided during the month of April 2025:

S. No.	Description of services provided
(i)	Transportation of students & staff of 'Swami Vivekananda deemed University
(ii)	Catering services provided to 'Grade CISCE School'
(iii)	Security services provided to 'Moongil CISCE School', for its annual sports day held at Health Sports Complex owned by Government of India
(iv)	Supply of online periodical science journal to 'Sastra CISCE School' for its higher secondary students
(v)	Services, in relation to placement of students, to 'Standard', a Government recognized vocational training college

Comment on the taxability or otherwise of the above transactions under GST law. Also state the correct legal provisions for the same. [7]

(b) Unicorn Limited. purchased machinery for ₹50,00,000 on 1.12.2025 on which IGST has been paid @ 18% amounting to ₹9,00,000. It has made the following supplies during the month of December, 2025.

Particulars	Value of supply
Supplies made exclusive for business purpose	50,00,000
Exempted supplies	30,00,000
Goods exported to USA (zero rated supplies)	20,00,000
Total	1,00,00,000

Determine the amount of ITC in respect of capital goods that is required to be reversed by Unicorn Limited for the month of December 2025. [7]

4. (a) Explain TDS under GST as per section 51 of the CGST, Act 2017? Who are the persons to deduct the TDS as per the section 51 of the act? [7]

(b) Identify the matters to be covered by advance ruling under section 97 of the CGST Act, 2017? [7]

5. (a) Determine place of supply along with reasons in the following cases:

(i) Deshpande, registered in Mumbai, has availed land-line services from Jio. The telephone is installed in residential premises in Mysore and the billing address is office of Deshpande in Mumbai.



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- (ii) Prasad, residing in Maharashtra, is travelling with 'Sahara Airlines' aircraft and is provided with movie-on-demand service for ₹650 as on-board entertainment during Delhi-Maharashtra leg of a Singapore-Delhi-Maharashtra flight.
- (iii) Rajat of Kolkata purchased online tickets for Chill water park in Bhuvanewar.
- (iv) Prasanth Srinivas, an unregistered person of Kerala, sends a courier from Varanasi to his friend in Ranchi, Jharkhand while he was on trip to Varanasi. [7]

(b) Compute the Value of Supply in the following cases as per Rule 32(2) and Rule 32(3) for the respective cases:

- (a) Exchanged US\$ 850 and paid ₹72,250
- (b) Exchanges US\$ 2500 and paid ₹2,12,500
- (c) Exchanges British pound 15000 and ₹16,57,500
- (d) Face value of Lottery ticket ₹5,000 and price notified in the official gazette of Kerala government ₹5,150 [7]

6. (a) Discuss the key benefits of Special economic zone? [7]

(b) With reference to the Foreign Trade Policy 2025, explain in brief the objectives and salient features of Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. [7]

7. (a) (i) Mr. Glen Wellmax of foreign origin of New Zealand has come on travel visa, to tour in India to see Mahabalipuram and Gangai Konda Cholopuram. He carries with him, as part of baggage, the following:

Particulars	Value in ₹
Travel Souvenir	1,12,500
Other articles carried on in person	2,37,000
140 sticks of cigarettes of ₹147 each	20,580
Fire arm with 100 cartridges (value includes the value of cartridges at @ ₹500 per cartridge).	50,000

Determine customs duty payable, if the effective rate of customs duty is 38.50% inclusive of social welfare surcharge, with short explanations where required. Ignore Agriculture infrastructure and development cess.

(ii) Mr. Donald Mask, a resident and citizen of Germany, visits India on a business tour. He made declaration to the proper officer about his baggage under section 77 of the Customs Act, 1962 for the purpose of clearance. During the scrutiny of the declaration, proper officer found that some of the articles declared in baggage brought with him were prohibited to be entered in India and were detained by the officer. Although Mr. Donald Mask did not insist to clear those articles, value of those articles was very high and it was a difficult situation for him. You are required to advise any procedure prescribed under customs law to overcome the situation.

Give your advice on the basis of relevant statutory provisions.

[4 + 3 = 7]



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- (b) Girish Bhatt Ltd. imported a machine from Justin Pope Equipments, UK. The FOB price of the machine was settled at 12,000 UK Pound. The machine was shipped on 01.10.2025. Meanwhile, Girish Bhatt Ltd. re-negotiated the price of the machine with Justin Pope Equipments which agrees on the reduced price of ₹10,000 UK pound on 10.10.2025. The machine arrived in India on 18.10.2025. Other details pertaining to machine are as under:
- (i) License fee that the buyer was required to pay in UK as a condition of sale was 1,000 UK Pound
 - (ii) Buying commission paid in India was ₹ 40,000
 - (iii) Cost of transport from UK port to Indian port is ₹ 80,000. Apart from this, due to deep draught at the port, machine was not taken to the jetty in the port but was unloaded at the outer anchorage. The additional charges incurred for such unloading and transport of machine from outer anchorage to the jetty in barges (small boats) were ₹ 20,000.
 - (iv) Date of presentation of bill of entry was 15.10.2025 and the rate of exchange notified by CBIC on this date was ₹ 90 per pound. Rate of basic customs duty was 10%.
 - (v) Date of entry inwards was 18.10.2025 and the rate of exchange notified by CBIC on this date was ₹95 per pound. Rate of basic customs duty was 15%.
 - (vi) Insurance premium details were not ascertainable.
- Compute the assessable value and basic customs duty payable (rounded off to nearest one rupee) by Girish Bhatt Ltd. [7]

8. (a) Nigilan Enterprises, a registered supplier located in Karnataka, has duly filed its monthly GST returns for the financial year 2025–26. During the scrutiny of its returns for the said financial year in August 2026, the proper officer noticed an inadvertent short payment of CGST and SGST totaling ₹5,95,000 in the month of October 2025, on account of a *bonafide* error. Before issuance of the show cause notice by the proper officer, Nigilan Enterprises paid the tax of ₹ 2,00,000 (₹1,00,000 CGST and ₹1,00,000 SGST) on the basis of its own ascertainment along with applicable interest and with penalty, if any, on 15th September 2026 and informed the proper officer in writing of such payment.

Based on the facts above, answer the following:

- (i) Ascertain the last date by which show cause notice can be issued by the proper officer for the amount of tax short paid by Nigilan Enterprises.
 - (ii) Assuming that the proper officer decides to issue a show cause notice under section 74A on 10th October 2026, determine the maximum amount of tax for which he can issue the show cause notice. Ascertain the last date by which the proper officer should issue order under section 74A assuming that show cause notice is issued by proper officer on said date. (Required for both fraud and non-fraud cases) [2+5 = 7]
- (b) Poorvisha Traders, a registered supplier under GST in Tamilnadu, had their GST registration cancelled retrospectively with effect from 3rdst August of current financial year. The cancellation order was passed on 16th August of current financial year. At the time of cancellation, the supplier had not availed ITC on certain eligible invoices issued in February and March of the preceding financial year for inward supplies of taxable goods on which ITC is otherwise available under GST law.



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Subsequently, on filing an application for revocation, the cancellation of registration was revoked by the Proper Officer on 15th November of current financial year.

The firm wishes to file its GSTR-3B return for the month of August on 21st November of current financial year and wishes to claim ITC on the said invoices of February and March of preceding financial year in this return.

You are required to advise Poorvisha Traders whether it is entitled to claim input tax credit (ITC) in respect of invoices issued in February and March of the preceding financial year in terms of provisions of the GST law assuming that annual return for previous year is furnished on 30th November of the current financial year. [7]